

GENERAL CITY PURPOSE DEPARTMENT

General City Purpose Department is comprised of the Retirement Office, the Redevelopment Services Division, and the Intergovernmental Relations Division.

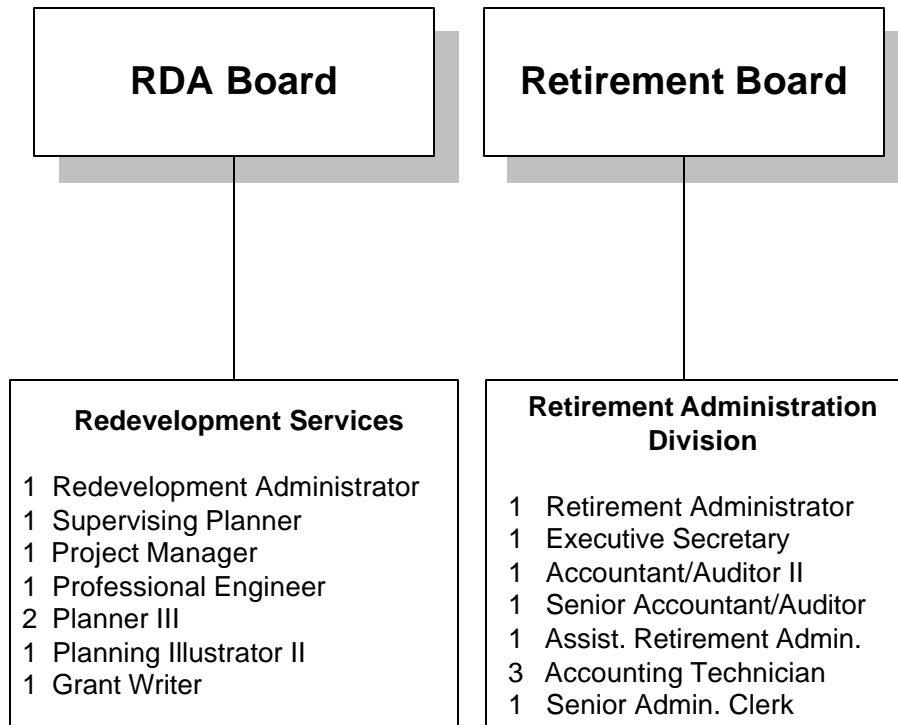
Retirement Office: The Retirement Office maintains financially sound retirement systems; continuously improves the delivery of benefits and services; fosters an organizational structure and environment that encourages professionalism, productivity, innovation and team work; and actively anticipates, influences, and responds to external challenges and opportunities.

The Office also provides lifetime retirement, disability, and death benefits for its members. The Office treats all persons fairly and with courtesy and respect. The Retirement Office will continue to prudently manage investments and to balance the need for security with superior performance.

The Redevelopment Services Division: The Redevelopment Services Division houses City personnel who work for the Redevelopment Agency (RDA). By the terms of a cooperative agreement signed in April 1997, City of Fresno personnel from the City Manager's Office, Development, and Public Works Departments were assigned to the Redevelopment Services Division. The Agency, which had been a quasi-independent entity within the City organizational structure, was made totally independent from the City in March 1997. In order to facilitate the changeover, certain City personnel were transferred into this Division and will remain City employees. The RDA is obligated to reimburse the City for all costs associated with these personnel.

The Intergovernmental Relations Division: The Intergovernmental Relations Division contains expense items which are of a Citywide and/or interdepartmental nature. Some of the items budgeted in this Division include Citywide legal fees, election costs, Operation Clean Air, Fresno Business Council for support of Regional Jobs Initiative (RJI), funding for an ADA Compliance assessment, and lobby contracts.

ORGANIZATION CHART - FY 2005



AUTHORIZED POSITIONS SUMMARY

DIVISION	FY 2003	FY 2004	FY 2005
Redevelopment Services	9.00	9.00	8.00
Retirement Office	9.00	9.25	9.00
TOTAL	18.00	18.25	17.00

DEPARTMENT FUNDING BY SOURCE

Fund	FY 2002 Actuals	FY 2003 Actuals	FY 2004 Amended	FY 2005 Adopted
General Fund Support	\$ 10,100	\$ 1,116,500	\$ 1,301,800	\$ 1,168,300
CDBG	0	140,000	0	165,000
Redevelopment Support	135,100	519,500	717,800	691,700
Retirement Office	648,400	724,700	705,400	694,300
TOTAL \$	793,600	\$ 2,500,700	\$ 2,725,000	\$ 2,719,300

DEPARTMENT SUMMARY APPROPRIATIONS

Expenditures	FY 2002 Actuals	FY 2003 Actuals	FY 2004 Amended	FY 2005 Adopted
Intergovernmental Relations				
* \$	0	\$ 1,256,500	\$ 1,301,800	\$ 1,333,300
Redevelopment Services	700,900	667,900	717,800	691,700
Retirement Office	611,700	679,300	705,400	648,700
TOTAL \$	1,312,600	\$ 2,603,700	\$ 2,725,000	\$ 2,673,700

* Historical information for the Intergovernmental Relations Division is reflected in the Citywide Obligations Division of the Finance Department.

BUDGET COMMENTS

Interdepartmental Charges: The Department's adopted budget for FY 2005 fully funds increases in interdepartmental (ID) charges and workers' compensation insurance.

Items budgeted within the Intergovernmental Relations Division are of a Citywide and/or interdepartmental nature. Items adopted in Intergovernmental Relations include:

General Fund Programs:

Special Projects (58004)		
Operation Clean Air	25,000	
Election Costs/Tuition Reimbursements	<u>100,000</u>	125,000
Hmong Memorial (58002)		10,000
Public Relations/Fresno Business Council - RJI (53303)		25,000
Professional & Consulting contracts (53302)		
Simon	36,000	
Lehman	72,000	
MBIA	35,000	
Buske Group (Cable Franchise)	50,000	
ADA Facility Assessment	<u>300,000</u>	
		493,000
Legal Expenses		
Internal (59102)		92,700
External (53306)		200,000
Membership & Dues (58016)		135,600
US Conference of Mayors		
League of California Cities		
National League of Cities		
ICMA		
Travel (55803)		25,000
City Hall Rent/Facilities Common Space		<u>62,000</u>
(59309 & 59314)		

Total **1,168,300**

Community Development Block Grant (CDBG) Funded Programs:

- House of Hope is funded at \$60,000 to renovate their facility to provide a safer and more attractive environment for high-risk youth and their families.
- Fresno West Coalition is funded at \$65,000 to hire staff to oversee the achievement of the West Fresno Community Initiative (CRI) and to ensure the development and rehabilitation of homes in the community. The funding will also help expand the range of affordable housing and home-ownership opportunities for local residents.
- The CURE program is funded at \$40,000 in CDBG to acquire housing to rehabilitate.

ACCOMPLISHMENTS:

Retirement Office

- During FY 2004, the Board achieved numerous goals and objectives such as an update of the Board's Investment Objectives and Policy Statement. The Board hired an enhanced fixed income index portfolio manager and a small cap value portfolio manager to replace existing managers that were underperforming. The Board completed a search for a new investment consultant and hired the firm of Wilshire Associates. The Board conducted a search for a custodial bank and actuarial services. Finally, the Board adopted a more moderate risk posture in long duration fixed income by liquidating long duration assets and transferring the proceeds to equity and mid range fixed income portfolio.
- From an administrative perspective, the Board conducted a special actuarial study projecting the availability of surplus earning in the City of Fresno Retirement Systems and communicated the results of the study to the City, active members, and retirees. The Board also adopted a new Code of Ethics Policy for the Board members and staff.

The City of Fresno Retirement Systems purchased a 24,300 square foot building in downtown Fresno, with subterranean parking and a 8,250 square foot parking lot. The Systems have approximately eight percent of their combined \$1.7 billion portfolios (\$136 million) allocated and invested in real estate. The Systems made this purchase as an investment of the Retirement Trusts because the Systems were able to negotiate a relatively low purchase price and the demand for downtown space is currently very high. This building will be an excellent investment for the Trusts and maintain our commitment to downtown Fresno.